



Town of Wellington, Colorado

Financial Statements and Supplementary Information

For the Year Ended December 31, 2020

Town of Wellington

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Independent Auditor's Report

Honorable Mayor and Members of the Town Board of Trustees
Town of Wellington, Colorado

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Wellington, Colorado (the "Town"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Wellington, Colorado as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional



omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the budgetary comparison information on pages 47 and 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison information on pages 49 through 53 and the Local Highway Finance Report on pages 54 and 55 are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The budgetary comparison information and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

BDO USA, LLP

Greeley, Colorado
November 5, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Wellington, we offer readers of the Town of Wellington's financial statements this narrative overview and analysis of the financial activities of the Town of Wellington for the fiscal year ended December 31, 2020. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the Basic Financial Statements, Notes to the Basic Financial Statements and Supplementary Information.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Wellington exceeded its liabilities and deferred inflows at the close of 2020 by \$102,196,837. Of this amount, \$41,412,932 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$8,661,697 from the prior year. Net investment in Capital assets increased by \$2,168,429. Non-capital assets increased by \$6,957,620
- At the end of calendar year 2020, unassigned fund balance for the general fund was \$2,853,513, a decrease of \$1,844,338. This amount is 42.875 percent of total general fund expenditures of \$6,655,302.
- The Town retired \$1,782,412 of its debt excluding compensatory absences computations during the fiscal year. The key factor in this decrease was the semi-annual and annual principal payments made on the Town's outstanding debts shown in Footnote 6, pages 41 and 42 of this report. The Town did increase outstanding debt during 2019 by \$24.8 million in the water fund, excluding compensatory absences.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town of Wellington's basic financial statements. The Town of Wellington's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information that supports the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Wellington's finances. These statements are prepared in a manner similar to a private-sector business using the accrual basis of accounting and economic resources measurement focus.

The **Statement of Net Position** presents information on all the Town of Wellington's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the categories reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Wellington is improving or deteriorating.

The **Statement of Activities** presents information showing how the Town of Wellington's *net position* changed during the fiscal year. All changes in *net position* are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the Town of Wellington that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the Town of Wellington include general government, public safety, public works, community development, culture, parks, and recreation. The business-type activities of the Town of Wellington include water, sewer and storm drainage operations.

The government-wide financial statements include only the Town of Wellington itself (known as the *primary government*).

The government-wide financial statements can be found on pages 20-21 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Wellington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Town of Wellington can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides. These statements help one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds are described in reconciliations on page 21 and 23.

The basic governmental fund financial statements can be found on pages 20 to 23 of this report.

Proprietary funds. The Town of Wellington currently maintains one type of *proprietary fund*, called *enterprise funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Wellington uses *enterprise funds* to account for its sewer, water and storm drainage operations.

Business-type activities are reported providing the same type of information as the government-wide financial statements, only in more detail. The business-type financial statements provide separate information for sewer, water and storm drainage operations, which are major enterprise funds of the Town of Wellington.

The basic proprietary fund financial statements detailing the business-type activities can be found on pages 24 to 26 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the Town. *Fiduciary funds* are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Wellington's own programs. The accounting used for *fiduciary funds* is much like that used for *proprietary funds*. Additional information on the Town's Fiduciary Fund (Library Trust Fund) can be found on pages 27 and 28 of this report.

Notes to the financial statements. The notes provide significant additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 to 46 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required and certain other supplementary information concerning the Town of Wellington's budget comparison statements for the General Fund, non-major Conservation Trust Fund and the Town's three major enterprise funds Water, Sewer and Storm Drainage. The other supplementary information can be found on pages 47 to 53 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Wellington, net position exceeded liabilities by \$102,196,837 at the close of 2020.

By far the largest portion of the Town of Wellington's net position (57.70 percent) reflects its investment in capital assets (e.g., land, buildings machinery, and equipment), less any related debt used to acquire those assets that is still outstanding and accumulated depreciation. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from **other sources**, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Below is condensed financial information for fiscal year 2020 compared with 2019 totals.

Condensed Statement of Net Position

	<u>2020</u>			
	<u>Governmental</u>	<u>Business-</u>		
	<u>Activities</u>	<u>Type</u>		
		<u>Activities</u>	<u>Totals</u>	<u>2019 Totals</u>
<u>ASSETS</u>				
Current assets	\$18,274,301	\$55,943,990	\$74,218,291	\$67,260,671
Capital assets	22,496,264	39,589,217	62,085,481	59,917,052
<u>Total assets</u>	<u>40,770,565</u>	<u>95,533,207</u>	<u>136,303,772</u>	<u>127,177,723</u>
<u>LIABILITIES</u>				
Current liabilities	3,601,684	2,825,162	6,426,846	4,190,805
Long-term liabilities	1,027,947	25,033,076	26,061,023	27,934,014
<u>Total liabilities</u>	<u>4,629,631</u>	<u>27,858,238</u>	<u>32,487,867</u>	<u>32,124,819</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unearned revenue - property taxes	1,532,458	86,608	1,619,066	1,517,764
<u>NET POSITION</u>				
Invested in capital assets, net of related debt	21,226,013	37,760,001	58,986,014	54,996,250
Restricted for:				
Emergencies	306,349	-	306,349	231,273
Other purposes	585,808	905,734	1,491,542	1,389,979
Unrestricted	12,490,306	28,922,626	41,412,932	36,917,638
<u>Total net position</u>	<u>\$34,608,476</u>	<u>\$67,588,361</u>	<u>\$102,196,837</u>	<u>\$93,535,140</u>

Exclusive of capital assets, the restricted portion (\$1,797,891) of net position (4.167 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of **unrestricted net position** (\$41,412,932) may be used to meet the Town's ongoing obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following focuses on changes in net position of the Town's governmental and business-type activities.

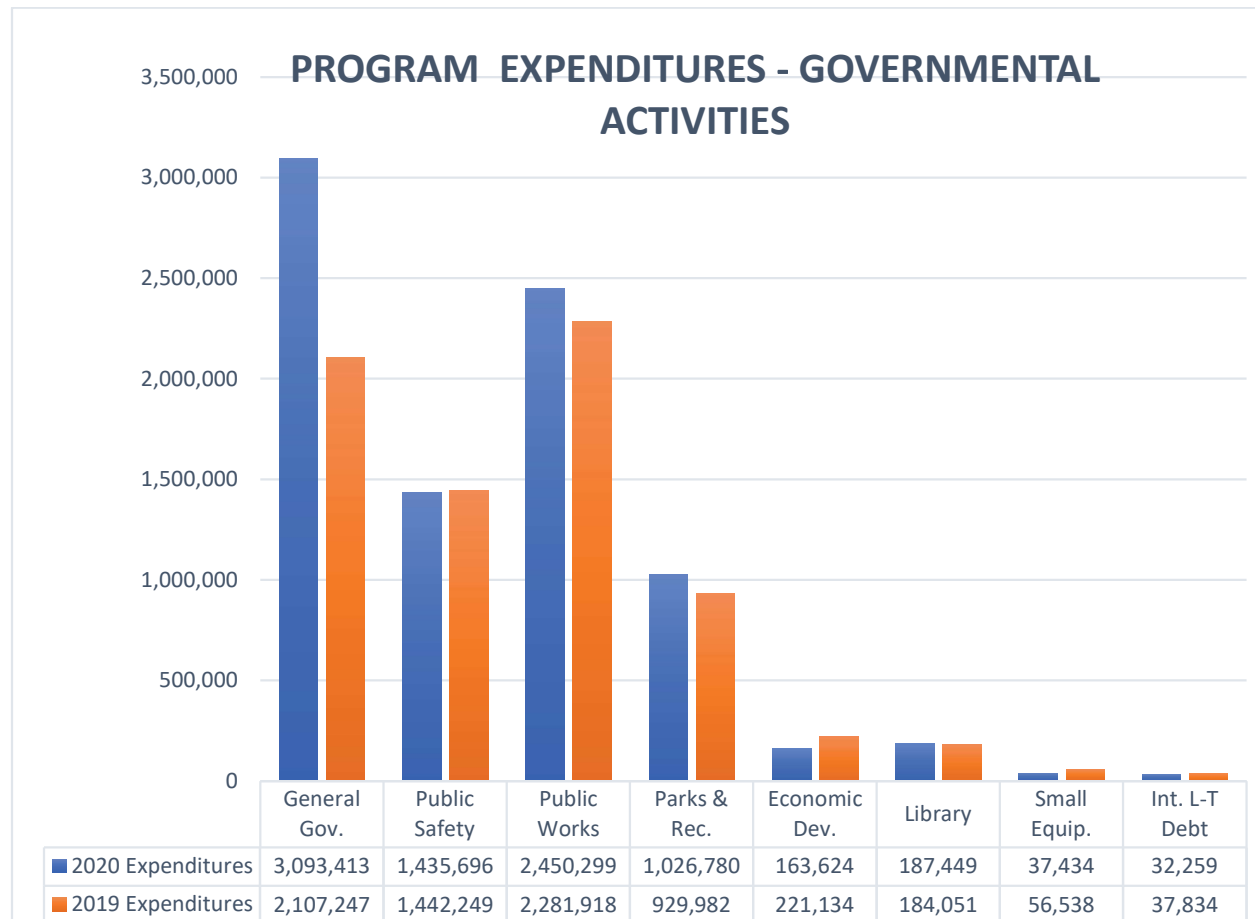
Condensed Statement of Activities

	<u>2020</u>			
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>	<u>2019 Totals</u>
Revenues				
Program revenues				
Charges for services	\$1,091,206	\$4,461,828	\$5,553,034	\$4,709,109
Operating grants and contributions	101,678	-	101,678	108,361
Capital grants and contributions	-	7,398,706	7,398,706	3,914,316
General revenues	-	-	-	-
Property taxes	1,426,728	85,593	1,512,321	1,196,785
Open space taxes	284,181	-	284,181	250,916
Sales and use taxes	3,652,434	-	3,652,434	2,740,101
Franchise fees	184,840	-	184,840	183,780
Highway users tax	250,749	-	250,749	327,548
Other taxes	1,248,239	-	1,248,239	1,325,843
Impact fees	1,386,834	672,640	2,059,474	950,127
Grants, undesignated	575,304	-	575,304	5,336
Earnings on investments	85,971	201,501	287,472	851,302
Other	25,646	2,160	27,806	48,652
Transfers	1,301,196	(1,301,196)	0	17,000
Total revenues & transfers	<u>11,615,006</u>	<u>11,521,232</u>	<u>23,136,238</u>	<u>16,629,176</u>
Expenses				
General government	3,093,413	-	3,093,413	2,107,247
Public safety	1,435,696	-	1,435,696	1,442,249
Public works	2,450,299	-	2,450,299	2,281,918
Parks and recreation	1,026,780	-	1,026,780	929,982
Economic development	163,624	-	163,624	221,134
Library	187,449	-	187,449	184,081
Small equipment	-	-	-	0
Interest on long-term debt	32,259	-	32,259	37,834
Water	-	3,772,403	3,772,403	2,640,768
Sewer	-	1,412,745	1,412,745	1,203,5009
Storm drainage	-	899,727	899,727	638,801
Total expenses	<u>8,389,520</u>	<u>6,084,875</u>	<u>14,474,395</u>	<u>11,687,493</u>
Change in net position	3,225,486	5,436,357	8,661,843	4,941,683
Net position at beginning of year	31,382,990	62,152,004	93,534,994	88,593,457
Net position at end of year	<u>\$34,608,476</u>	<u>\$67,588,361</u>	<u>\$102,196,837</u>	<u>\$93,535,140</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

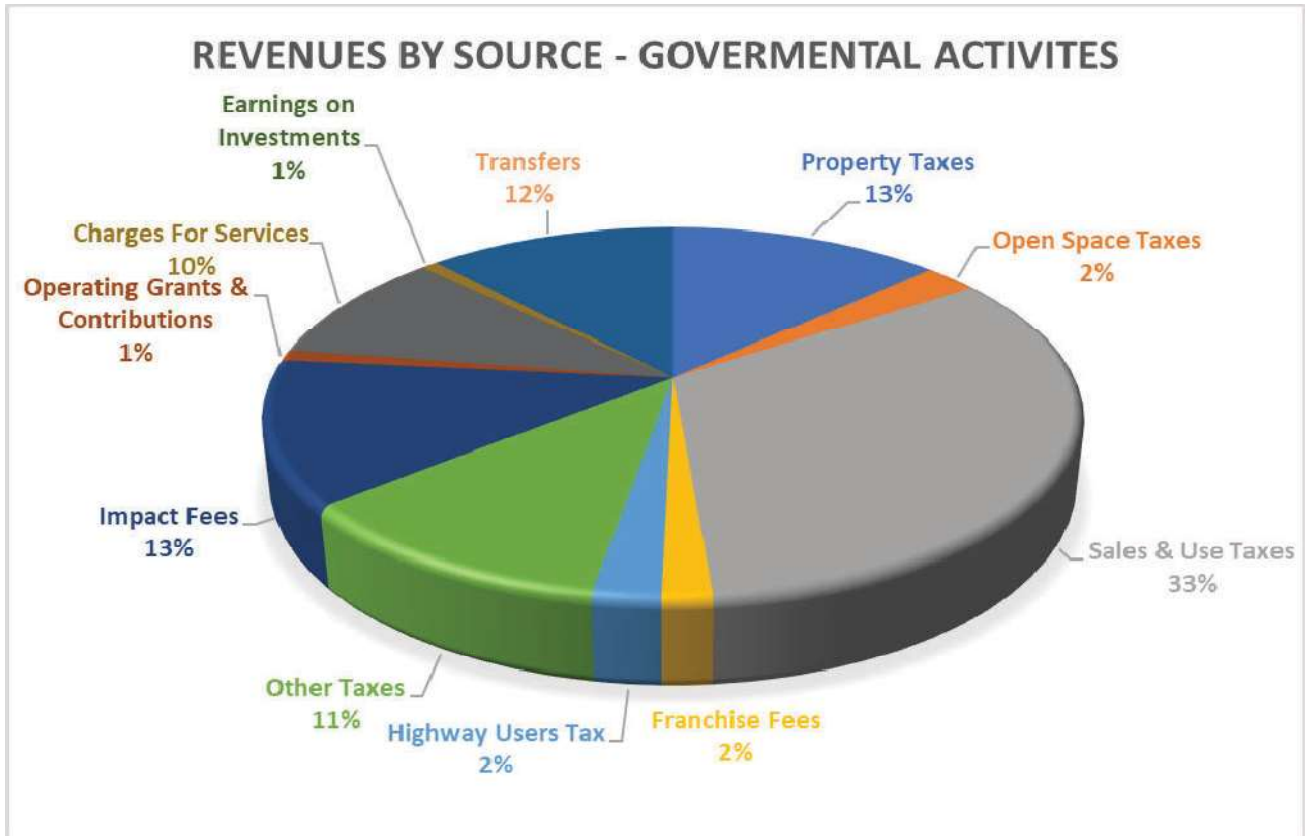
A portion of the “*Net position at end of year*” net position shown in the above **Condensed Statement of Activities** is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expensed. Within the governmental activities category restrictions are placed for streets and park improvements, TABOR emergency reserve and other purposes. The business-type activities restrictions were related to the operation and maintenance reserve required by loan agreements. Expenditures for the governmental activities are displayed below.

Expenditures for the **governmental activities** displayed in the previous table for 2020 are shown in graphical form below. For comparative purposes, the figures from 2019 are included. As the Town continues to grow, increasing costs in these activities will likely trend higher.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart displays revenues categorized by source for the governmental activities.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart displays revenues and expenses of the Business-type Activities.



Operating and interest expenses were greater than operating revenues in the water fund mostly due to the cost of raw water the Town purchases. In 2019, the average share price for North Poudre water was \$131,129. In 2020, the average share price increased to \$190,600. The cost of raw water increased from \$848,591 in 2019 to \$1,472,023 in 2020. In addition, the Town secured \$24.8 million dollars at the end of 2019 for construction of the new water plant with an anticipated completion date of 2024. Total interest expense in the water fund was \$425,957. After deducting the non-cash depreciation in the water fund, operating expenses exceeded operating revenues by \$936,317.

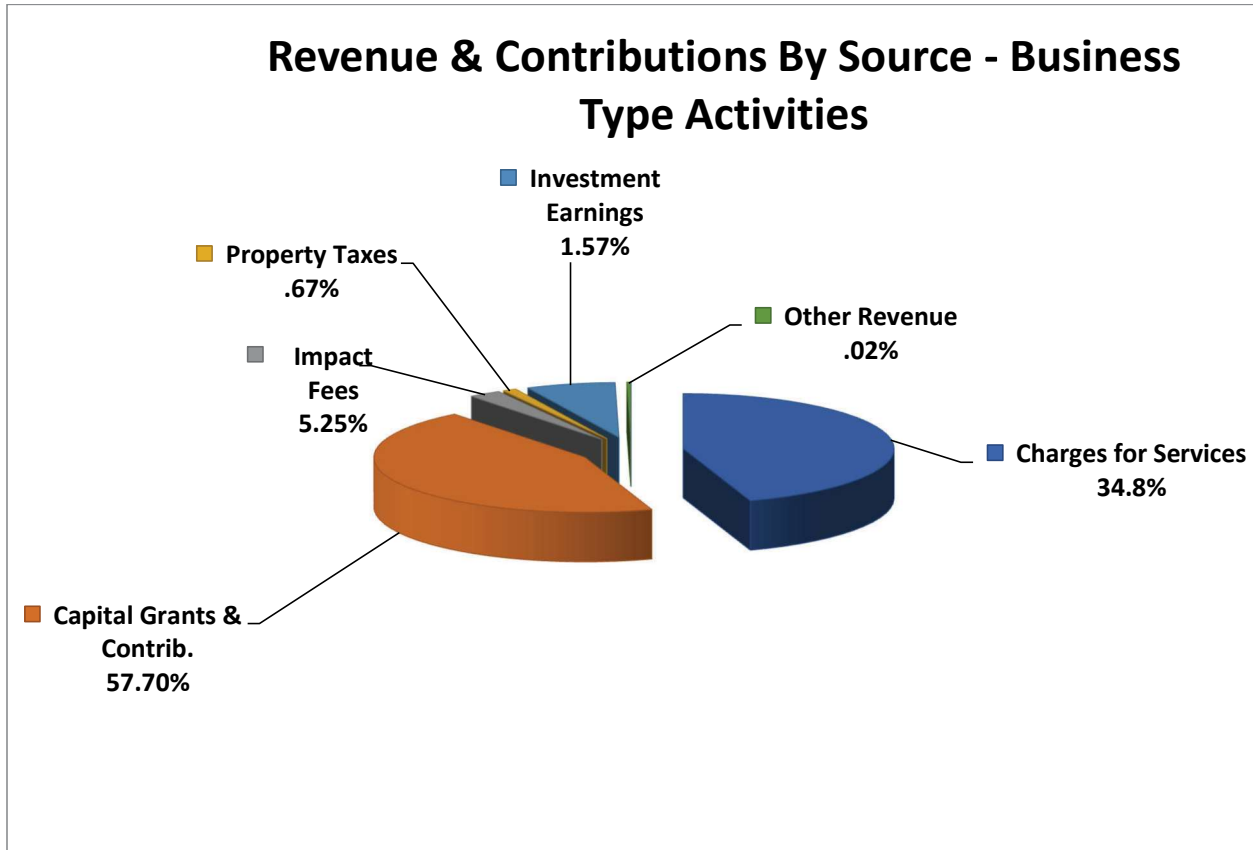
Operating expenses were greater than operating revenues in the drainage fund due payments for the Boxelder Stormwater Authority agreement. The agreement is scheduled to run until approximately 2026.

Operating and interest expenses in the sewer fund were slightly lower than revenues. A new sewer plant will need to be operational prior to the water plant however, no debt has been secured for construction of the new plant. Final design numbers should be available in late 2021.

All the business-type activities funds include significant non-cash expenses. The operating expenses include depreciation. Depreciation is an estimate of the deterioration of fixed assets. There was no actual cash expenditure involved in "depreciation expense". Non-cash depreciation was \$747,186, \$542,919 and \$116,322 in the Water, Sewer and Storm Drainage Funds respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart presents the revenues and contributions by source for the business-type activities (enterprise funds). The largest source of revenue is entitled "Capital Grants & Contributions" (57.70%). This category consists of Raw Water Fees, Tap Fees and Infrastructure Dedications in the Water and Sewer Funds in the amount of \$7,398,706. The total amount of Capital Grants & Contributions in 2019 was \$3,914,316.



Financial Analysis of the Town's Funds

As noted earlier, the Town of Wellington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

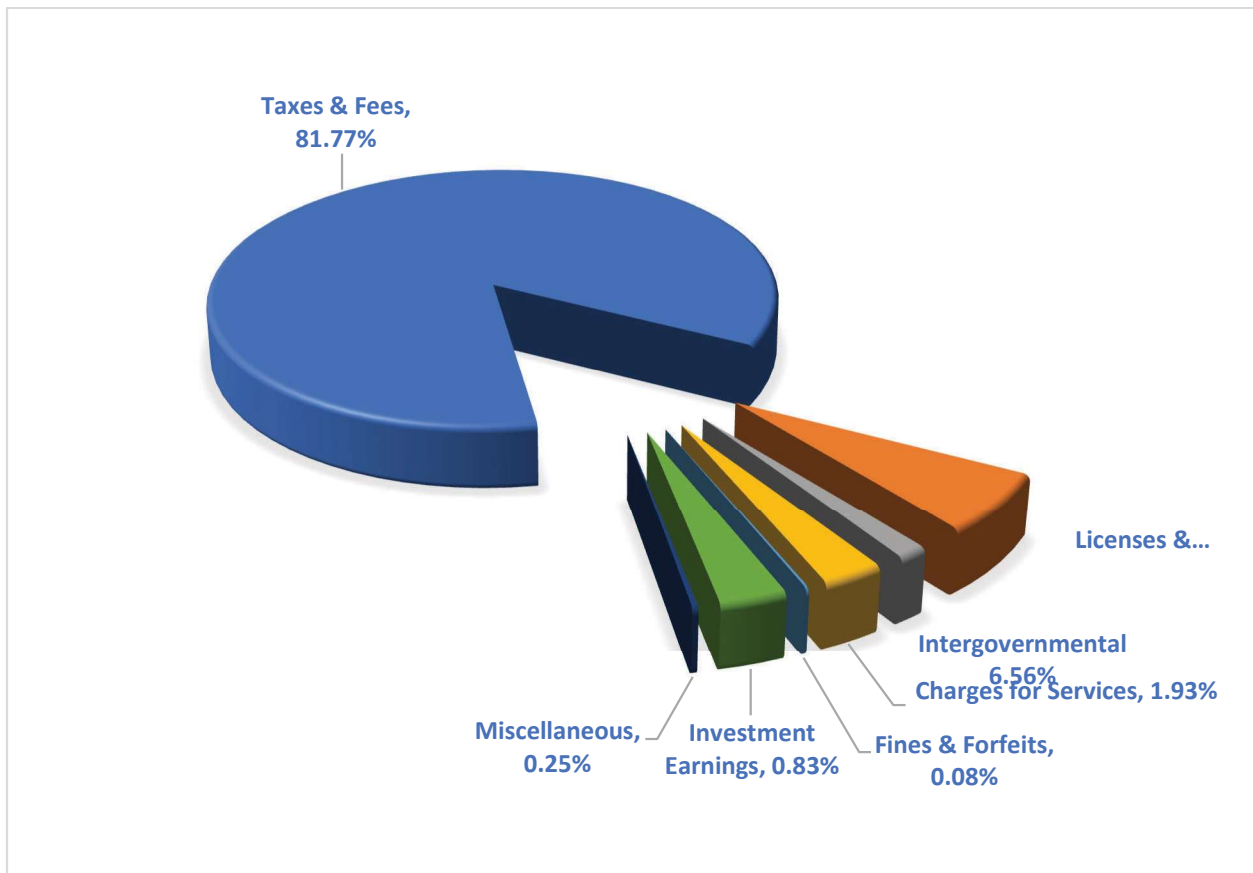
Governmental funds. The focus of the Town of Wellington's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Wellington's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town of Wellington's governmental funds (General, Street, Park and Conservation Trust Funds) reported combined ending fund balances of \$13,530,012, an increase of \$2,971,806. Approximately 21% of this total amount (\$2,853,513) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is otherwise classified to indicate that it is not available for new spending because the asset itself is in a non-spendable form (e.g., inventories) or that portions of fund balance have been restricted, committed or assigned to specific purposes as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nonspendable:	\$7,160
Restricted:	\$892,157
Committed:	\$57,118
Assigned:	\$9,720,064
Unassigned:	<u>\$2,853,513</u>
TOTAL:	\$13,530,012

General Fund Budgetary Highlights

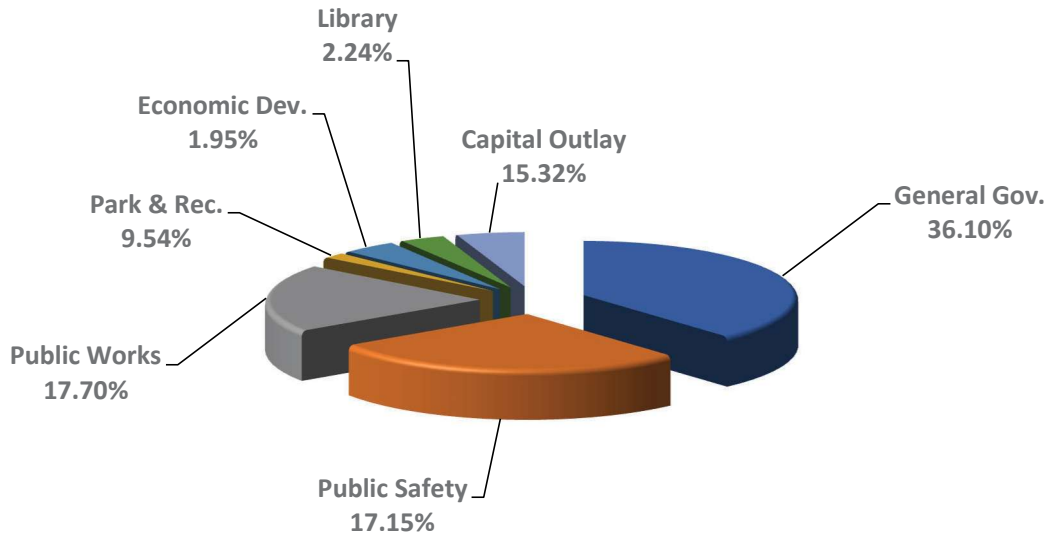
The General Fund accounts for all the general services provided by the Town of Wellington. At the end of 2020, the fund balance of the General Fund totaled \$7,078,957, an increase of \$1,226,607 or 20.95%, over the fund balance at the end of 2019, \$5,852,350. The General Fund's primary source of revenue is taxes and to a lesser degree, fees. The General Fund receives nearly all the property taxes, and two thirds of the sales tax.



MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund expenditures include all administrative functions of the Town, comprised of the Board of Trustees, Town Administrator, Town Attorney, Finance Director, and all other administrative support staff. Public Safety at 17.15% of the total expended is the third largest expenditure for the General Fund. Public Safety includes amounts paid to Larimer County Sheriff's Office, \$1,435,696. The total of all Public Safety was \$1,442,249 in 2019. General Fund expenditures by type are presented below in graphical form.

EXPENDITURES BY TYPE - GENERAL FUND



MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET ADMINISTRATION

Capital assets. The Town of Wellington's net investment in capital assets for its governmental and business type activities as of December 31, 2020, amounts to \$62,085,481 (net of accumulated depreciation and debt). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. At December 31, 2019, the net investment in capital assets was \$59,920,052 (net of accumulated depreciation and debt). Net investment in capital assets decreased 3.61 percent from 2019 to 2020.

Town of Wellington's Capital Assets at Year End (net of depreciation,) compared to 2019

	Governmental Activities		Business-Type Activities		<u>TOTAL</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land:	1,359,666	1,359,666	119,233	119,233	1,478,899	1,478,899
Water Rights:	160,380	160,380	-	-	160,380	160,380
Water Delivery Rights:	-	-	4,807,437	2,795,637	4,807,437	2,795,637
Buildings & Improvements:	992,407	505,416	-	-	992,407	505,416
Improvements Other Than Buildings:	8,917,132	9,024,271	-	-	8,917,132	9,024,271
Streets & Improvements:	10,658,295	11,029,215	-	-	10,658,295	11,029,215
Machinery & Equipment:	293,489	262,359	-	-	293,489	262,356
Utility Systems & Equipment:	-	-	32,426,838	32,481,362	32,426,838	32,481,362
Construction in Progress:	114,895	114,895	2,235,711	2,064,621	2,350,606	2,179,516
TOTAL	<u>22,496,264</u>	<u>22,456,199</u>	<u>39,589,217</u>	<u>37,460,853</u>	<u>62,085,481</u>	<u>59,920,052</u>

Additional information on the Town of Wellington's capital assets can be found in footnote 5 on pages 39 and 40 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DEBT ADMINISTRATION

Long-term debt. At the end of 2020, the Town of Wellington had total debt outstanding of \$25,889,757. The FNB Wellington Community Park Fund Loan was approved by the Town's voters and is a special obligation payable out of the available funds and revenues of the Park Fund. The remainder of the Town of Wellington's debt represents bonds and loans secured solely by specified revenue sources (Water & Sewer Fund revenues – i.e., Charges for Services).

Town of Wellington's Outstanding Debt at Year End

	Governmental		Business-Type		TOTAL	
	Activities		Activities			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
FNB WCP Loan (Park Fund):	\$1,270,251	\$1,506,850	-	-	\$1,270,251	\$1,506,850
1984 General Obligation Bonds (Water Fund):	-	-	\$ 80,000	\$104,000	\$ 80,000	\$104,000
1982 CWCBC General Obligation Bonds (Water Fund):	-	-	\$159,828	\$210,879	\$159,828	\$210,879
2001 CWR&PDA Loan (Water Fund):	-	-	\$105,975	\$173,207	\$105,975	\$173,207
2002 CWR&PDA Loan (Sewer Fund):	-	-	\$656,191	\$947,923	\$656,191	\$947,923
2014 Bond Issue - WWTP Expansion (Sewer Fund):	-	-	\$1,880,000	\$1,985,000	\$1,880,000	\$1,985,000
2019 CWR&PDA Loan (Water Fund):	-	-	\$23,007,763	\$24,014,561	\$23,007,763	\$24,014,561
TOTAL	\$1,270,251	\$1,506,850	\$25,889,757	\$27,435,570	\$27,160,008	\$28,942,420

This outstanding debt does not include compensated absences of \$145,104 at the end of 2020.

Additional information on the Town of Wellington's long-term debt can be found in footnote 6, pages 41-42.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Annual Budget guides the efficient, effective and economic use of the Town's resources, as well as focus on the highest priority objectives. Through the Budget, the Town Council sets the direction, allocates resources and establishes priorities.

The Town Council approved the 2020 Budget on December 13, 2019, appropriating \$61,793,090 for expenditures in 2020. The initial 2019 appropriation was \$32,565,073. The 2020 initial Budget reflects a 90% increase from the 2019 initial Budget, largely due to an aggressive capital improvement plan which includes the initial stages of the Water Treatment Plant Expansion and Water Source Development.

The Town of Wellington received and disbursed \$552,720 of Coronavirus relief funds during 2020.

Summary of Cares Funding

Business Relief Grants and Signage to local businesses:	\$349,353.20	63.21%
Residential Utility Grants – 140 individual accounts;	\$ 89,356.45	16.17%
Telework – computers, iPad support for remote workers:	\$ 35,617.49	6.44%
Public Works – chemicals, storage containers:	\$ 33,622.00	6.08%
Audio Visual for virtual meetings:	\$ 23,877.62	4.32%
IGA with Larimer County for Covid Testing:	\$ 20,000.00	3.62%
PPE supplies, masks, gloves, hand sanitizer:	\$ 893.24	.16%

Wellington's plan to construct a new Town Hall is currently on hold as the Town seeks to secure a location. Meanwhile, the Town continues to add staff to keep up with our growing community. The 2020 budget included 3.0 new full-time equivalents along with additional space secured by leasing a second building in Town. However, until a new Town Hall is constructed, the Town will be challenged to find sufficient workspace for staff.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town of Wellington's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Tyler Sexton, Town of Wellington Assistant Finance Director, sextontc@wellingtoncolorado.gov, PO Box 127, 3735 Cleveland Ave., Wellington, Colorado 80549

Basic Financial Statements

Town of Wellington
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,451,155	\$ 25,344,931	\$ 38,796,086
Equity in pooled cash and cash equivalents	2,331,533	4,618,234	6,949,767
Receivables	2,064,453	641,649	2,706,102
Loan proceeds receivable	-	24,800,000	24,800,000
Internal balances	420,000	(420,000)	-
Inventory	-	53,442	53,442
Prepaid items	7,160	-	7,160
Restricted cash and cash equivalents	-	905,734	905,734
Capital assets:			
Nondepreciable	1,634,941	7,162,381	8,797,322
Depreciable, net of accumulated depreciation	20,861,323	32,426,836	53,288,159
Total assets	40,770,565	95,533,207	136,303,772
Liabilities			
Accounts payable	3,211,831	1,021,037	4,232,868
Accrued interest payable	2,445	207,985	210,430
Accrued wages payable	-	-	-
Noncurrent liabilities:			
Accrued compensated absences	143,914	-	143,914
Due within one year	242,304	1,596,140	1,838,444
Due in more than one year	1,027,947	25,033,076	26,061,023
Total liabilities	4,628,441	27,858,238	32,486,679
Deferred inflows of resources			
Unearned revenue - property taxes	1,532,458	86,608	1,619,066
Total deferred inflows of resources	1,532,458	86,608	1,619,066
Net position			
Net investment in capital assets	21,226,013	37,760,001	58,986,014
Restricted for:			
Emergencies	306,349	-	306,349
Parks and recreation	585,808	-	585,808
Rate stabilization and maintenance	-	905,734	905,734
Unrestricted	12,491,496	28,922,626	41,414,122
Total net position	\$ 34,609,666	\$ 67,588,361	\$ 102,198,027

The accompanying notes are an integral part of these financial statements.

Town of Wellington

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,092,223	\$ 162,693	\$ -	\$ -
Public safety	1,435,696	883,620	-	-
Public works	2,450,299	8,385	-	-
Parks and recreation	1,026,780	36,508	101,678	-
Economic development	163,624	-	-	-
Library	187,449	-	-	-
Interest on long-term debt	32,259	-	-	-
Total governmental activities	8,388,330	1,091,206	101,678	-
Business-type activities:				
Water	3,772,403	2,410,129	-	5,356,216
Sewer	1,412,745	1,431,521	-	2,042,490
Storm drainage	899,727	620,178	-	-
Total business-type activities	6,084,875	4,461,828	-	7,398,706
Total primary government	\$ 14,473,205	\$ 5,553,034	\$ 101,678	\$ 7,398,706

Taxes:

Property taxes levied for general purposes

Property taxes levied for debt service

Open space tax

Sales and use tax

Franchise fees

Highway users tax

Other taxes

Impact fees

Grants and contributions not restricted to specific programs

Earnings on investments

Other revenues

Transfers

Total general revenues

Changes in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (2,929,530)	\$ -	\$ (2,929,530)
(552,076)	-	(552,076)
(2,441,914)	-	(2,441,914)
(888,594)	-	(888,594)
(163,624)	-	(163,624)
(187,449)	-	(187,449)
(32,259)	-	(32,259)
(7,195,446)	-	(7,195,446)
-	3,993,942	3,993,942
-	2,061,266	2,061,266
-	(279,549)	(279,549)
-	5,775,659	5,775,659
(7,195,446)	5,775,659	(1,419,787)
1,426,728	-	1,426,728
-	85,593	85,593
284,181	-	284,181
3,652,434	-	3,652,434
184,840	-	184,840
250,749	-	250,749
1,248,239	-	1,248,239
1,386,834	672,640	2,059,474
575,304	-	575,304
85,971	201,501	287,472
25,646	2,160	27,806
1,301,196	(1,301,196)	-
10,422,122	(339,302)	10,082,820
3,226,676	5,436,357	8,663,033
31,382,990	62,152,004	93,534,994
\$ 34,609,666	\$ 67,588,361	\$ 102,198,027

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Balance Sheet
Governmental Funds
December 31, 2020

	General	Street	Park	Conservation Trust (Nonmajor)	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 7,393,846	\$ 2,931,277	\$ 2,453,339	\$ 585,808	\$ 13,364,270
Equity in pooled cash and cash equivalents	2,022,332	-	309,201	-	2,331,533
Cash with fiscal agent	-	74,198	12,687	-	86,885
Receivables	1,935,981	18,847	109,625	-	2,064,453
Due from other funds	420,000	-	-	-	420,000
Prepaid items	7,160	-	-	-	7,160
Totals assets	\$ 11,779,319	\$ 3,024,322	\$ 2,884,852	\$ 585,808	\$ 18,274,301
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 3,167,904	\$ 23,469	\$ 20,458	\$ -	\$ 3,211,831
Total liabilities	3,167,904	23,469	20,458	-	3,211,831
Deferred inflows of resources					
Unearned revenue - property taxes	1,532,458	-	-	-	1,532,458
Total deferred inflows of resources	1,532,458	-	-	-	1,532,458
Fund balances					
Nonspendable	7,160	-	-	-	7,160
Restricted	306,349	-	-	585,808	892,157
Committed	57,118	-	-	-	57,118
Assigned	3,854,817	3,000,853	2,864,394	-	9,720,064
Unassigned	2,853,513	-	-	-	2,853,513
Total fund balances	7,078,957	3,000,853	2,864,394	585,808	13,530,012
Total liabilities, deferred inflows of resources and fund balances	\$ 11,779,319	\$ 3,024,322	\$ 2,884,852	\$ 585,808	\$ 18,274,301

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Reconciliation of the Governmental Funds Balance Sheet
with the Government-wide Statement of Net Position
December 31, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 13,530,012
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the governmental fund financial statements.

Capital assets	\$ 41,224,886	
Accumulated depreciation	<u>(18,728,622)</u>	22,496,264

Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities in the fund financial statements. Long-term liabilities at year end consist of:

Loan payable	\$ (1,270,251)	
Accrued interest payable	(2,445)	
Accrued compensated absences	<u>(143,914)</u>	(1,416,610)
Total net position - governmental activities		\$ 34,609,666

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2020

	General	Street	Park	Conservation Trust (Nonmajor)	Total Governmental Funds
Revenues					
Taxes and impact fees	\$ 4,204,812	\$ 2,600,253	\$ 1,628,940	\$ -	\$ 8,434,005
Licenses and permits	775,820	107,800	-	-	883,620
Intergovernmental	574,804	-	-	102,178	676,982
Charges for services	162,693	-	36,508	-	199,201
Fines and forfeitures	8,385	-	-	-	8,385
Earnings on investments	52,943	12,738	15,850	4,440	85,971
Miscellaneous	22,003	762	2,881	-	25,646
Total revenues	5,801,460	2,721,553	1,684,179	106,618	10,313,810
Expenditures					
Current:					
General government	3,023,219	-	-	-	3,023,219
Public safety	1,435,696	-	-	-	1,435,696
Public works	1,167,484	314,530	-	-	1,482,014
Parks and recreation	61,096	-	737,796	-	798,892
Economic development	163,624	-	-	-	163,624
Library	187,449	-	-	-	187,449
Capital outlay	616,734	600,522	65,590	-	1,282,846
Debt Service:					
Principal	-	-	236,745	-	236,745
Interest	-	-	32,715	-	32,715
Total expenditures	6,655,302	915,052	1,072,846	-	8,643,200
Excess (deficiency) of revenues over expenditures	(853,842)	1,806,501	611,333	106,618	1,670,610
Other financing sources (uses)					
Transfers in	2,080,449	-	-	-	2,080,449
Transfers out	-	(480,761)	(298,492)	-	(779,253)
Total other financing sources (uses)	2,080,449	(480,761)	(298,492)	-	1,301,196
Net change in fund balances	1,226,607	1,325,740	312,841	106,618	2,971,806
Fund balances at beginning of year	5,852,350	1,675,113	2,551,553	479,190	10,558,206
Fund balances at end of year	\$ 7,078,957	\$ 3,000,853	\$ 2,864,394	\$ 585,808	\$ 13,530,012

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances with the Government-wide Statement of Activities
Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Total net change in fund balance - governmental funds	\$	2,971,806
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense exceeded capital outlay during the year.

Capital outlay	\$ 1,282,846	
Depreciation expense	<u>(1,242,781)</u>	40,065

Repayment of loan payable obligations are expenditures in the fund financial statements, but are reductions in long-term liabilities in the statement of net position and do not affect the statement of activities.	236,745
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Decrease in interest payable is reflected against expense in the statement of activities and not reflected as an expenditure in the statement of revenues, expenditures and changes in fund balances.	456
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Increase in accrued compensated absences liability is reflected as an expense on the statement of activities and not reflected as an expenditure on the governmental fund statement of revenues, expenditures and changes in fund balances.	(22,396)
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Change in net position of governmental activities	\$	3,226,676
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The accompanying notes are an integral part of these financial statements.

Town of Wellington
Statement of Net Position
Proprietary Funds
December 31, 2020

	Water	Sewer	Storm Drainage	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 15,222,635	\$ 9,160,274	\$ 962,022	\$ 25,344,931
Equity in pooled cash and cash equivalents	2,206,925	1,328,001	1,083,308	4,618,234
Receivables	377,042	186,269	78,338	641,649
Loan proceeds receivable	24,800,000	-	-	24,800,000
Inventory	52,186	1,256	-	53,442
Total current assets	42,658,788	10,675,800	2,123,668	55,458,256
Noncurrent assets				
Restricted cash and cash equivalents	555,734	350,000	-	905,734
Capital assets:				
Land	36,130	83,103	-	119,233
Water rights	4,807,437	-	-	4,807,437
Construction in progress	1,923,688	280,617	31,406	2,235,711
Utilities systems	24,001,852	20,378,673	3,357,514	47,738,039
Equipment	1,080,592	761,548	14,328	1,856,468
Less accumulated depreciation	(10,461,803)	(6,098,958)	(606,910)	(17,167,671)
Total capital assets - net	21,387,896	15,404,983	2,796,338	39,589,217
Total noncurrent assets	21,943,630	15,754,983	2,796,338	40,494,951
Total assets	64,602,418	26,430,783	4,920,006	95,953,207
Liabilities				
Current liabilities				
Accounts payable	185,369	61,671	773,997	1,021,037
Accrued interest payable	182,006	25,979	-	207,985
Accrued wages payable	-	-	-	-
Due to other funds	-	-	420,000	420,000
Current portion of long-term debt	1,171,521	424,619	-	1,596,140
Total current liabilities	1,538,896	512,269	1,193,997	3,245,162
Noncurrent liabilities				
Long-term debt	22,921,504	2,111,572	-	25,033,076
Total noncurrent liabilities	22,921,504	2,111,572	-	25,033,076
Total liabilities	24,460,400	2,623,841	1,193,997	28,278,238
Deferred inflows of resources				
Unearned revenue - property taxes	86,608	-	-	86,608
Total deferred inflows of resources	86,608	-	-	86,608
Net position				
Net investment in capital assets	22,094,871	12,868,792	2,796,338	37,760,001
Restricted for rate stabilization	-	350,000	-	350,000
Restricted for maintenance	555,734	-	-	555,734
Unrestricted	17,404,805	10,588,150	929,671	28,922,626
Total net position	\$ 40,055,410	\$ 23,806,942	\$ 3,726,009	\$ 67,588,361

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2020

	Water	Sewer	Storm Drainage	Totals
Operating revenues				
Charges for services	\$ 2,410,129	\$ 1,431,521	\$ 620,178	\$ 4,461,828
Total operating revenues	2,410,129	1,431,521	620,178	4,461,828
Operating expenses				
Operating	2,570,697	772,640	783,405	4,126,742
Small equipment	28,563	8,871	-	37,434
Depreciation	747,186	542,919	116,322	1,406,427
Total operating expenses	3,346,446	1,324,430	899,727	5,570,603
Operating income (loss)	(936,317)	107,091	(279,549)	(1,108,775)
Non-operating revenues (expenses)				
Property taxes and impact fees	85,593	-	672,640	758,233
Earnings on investments	103,664	90,872	6,965	201,501
Interest expense	(425,957)	(88,315)	-	(514,272)
Other non-operating revenue	449	1,711	-	2,160
Total non-operating revenues (expenses)	(236,251)	4,268	679,605	447,622
Income (loss) before transfers and contributions	(1,172,568)	111,359	400,056	(661,153)
Transfers out	(714,101)	(487,931)	(99,164)	(1,301,196)
Capital contributions	5,356,216	2,042,490	-	7,398,706
Changes in net position	3,469,547	1,665,918	300,892	5,436,357
Net position at beginning of year	36,585,863	22,141,024	3,425,117	62,152,004
Net position at end of year	\$ 40,055,410	\$ 23,806,942	\$ 3,726,009	\$ 67,588,361

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2020

	Water	Sewer	Storm Drainage	Total
Cash flows from operating activities				
Cash received from customers	\$ 2,273,569	\$ 1,400,652	\$ 613,045	\$ 4,287,266
Cash payments to suppliers	(2,925,094)	(418,481)	(399,355)	(3,742,930)
Cash payments to employees	(312,448)	(363,888)	-	(676,336)
Net cash flows from operating activities	(963,973)	618,283	213,690	(132,000)
Cash flows from non-capital financing activities				
Property taxes	86,608	-	672,640	759,248
Impact fees	-	-	-	-
Transfers out	(714,101)	(487,931)	(99,164)	(1,301,196)
Other non-operating revenue	449	1,711	-	2,160
Net cash flows from non-capital financing activities	(627,044)	(486,220)	573,476	(539,788)
Cash flows from capital and related financing activities				
Capital contributions	5,356,216	2,042,490	-	7,398,706
Acquisitions of capital assets	(3,127,938)	(368,776)	(38,077)	(3,534,791)
Principal paid on long-term debt	(1,149,081)	(396,732)	-	(1,545,813)
Interest paid on long-term debt	(475,788)	(106,862)	-	(582,650)
Net cash flows from capital and related financing activities	603,409	1,170,120	(38,077)	1,735,452
Cash flows from investing activities				
Earnings on investments	103,664	90,872	6,965	201,501
Change in restricted cash and cash equivalents	5,055	-	-	5,055
Net cash flows from investing activities	108,719	90,872	6,965	206,556
Net change in cash and cash equivalents	(878,889)	1,393,055	756,054	1,270,220
Cash and cash equivalents at beginning of year	18,308,449	9,095,220	1,289,276	28,692,945
Cash and cash equivalents at end of year	\$ 17,429,560	\$ 10,488,275	\$ 2,045,330	\$ 29,963,165
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (936,317)	\$ 107,091	\$ (279,549)	\$ (1,108,775)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	747,186	542,919	116,322	1,406,427
Changes in operating assets and liabilities:				
Receivables	(136,560)	(30,869)	(7,133)	(174,562)
Inventory	2,536	10,289	-	12,825
Accounts payable	(635,558)	(1,895)	384,050	(253,403)
Accrued wages payable	(5,260)	(9,252)	-	(14,512)
Net cash flows from operating activities	\$ (963,973)	\$ 618,283	\$ 213,690	\$ (132,000)

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	Library Trust
Assets	
Cash and cash equivalents	\$ 425,294
Equity in pooled cash and cash equivalents, restricted	67,211
Total assets	492,505
Net position	\$ 492,505

The accompanying notes are an integral part of these financial statements.

Town of Wellington
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended December 31, 2020

	Library Trust
Additions	
Library impact fees	\$ 67,750
Total additions	67,750
Change in net position	67,750
Net position at beginning of year	424,755
Net position at end of year	\$ 492,505

The accompanying notes are an integral part of these financial statements.

Town of Wellington

Notes to Financial Statements

December 31, 2020

1. Summary of Significant Accounting Policies

Form of Organization

The Town of Wellington, Colorado (the “Town”) was founded on November 10, 1905 as a statutory town. The Town’s major operations include general government, public safety, public works, parks and recreation, economic development, and the library.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board and either a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the Town.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Town of Wellington

Notes to Financial Statements

December 31, 2020

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recognized only when payment is due.

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual, and so, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, reconciliations are presented that briefly explain the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, ("GASB No. 33") the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15.

Governmental funds are used to account for all or most of a government's general activities. The following are the Town's major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Street Fund - The Street Fund, a special revenue fund, is considered a major fund of the Town. Revenues in the Street Fund consist of motor vehicle ownership taxes, motor vehicle registration taxes and highway user taxes. In addition, this fund accounts for impact fees relating to new construction from building permits. Amounts collected are disbursed for the maintenance of the Town's streets and alleys.

Town of Wellington

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Park Fund - The Park Fund, a special revenue fund, is considered a major fund of the Town. Revenues in the Park Fund consist of sales taxes, use taxes, motor vehicle use taxes, and open space sales taxes. In addition, this fund accounts for impact fees relating to new construction from building permits. Amounts collected are disbursed for the maintenance of the Town's parks and open space.

The other governmental fund (nonmajor fund) is a special revenue fund (Conservation Trust) and has been established to account for revenues from the Colorado Conservation Trust Fund which are required to be used to fund park and recreation services.

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets, restricted for debt service and rate stabilization loan reserves, and unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Town's major enterprise funds include the Water, Sewer, and Storm Drainage funds.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town has one private-purpose trust fund, the Library Trust Fund, which accounts for library impact fees and grants and disburses funds for the benefit of the Town's library. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgets

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the Town Administrator submits to the Town Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them;
- A public hearing is conducted to obtain taxpayer comments;
- Prior to December 31, the budget is legally enacted through passage of a resolution;
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Trustees through passage of a formal resolution;

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- The Town legally adopts budgets for all of the funds. Budgets for the general, special revenue and fiduciary funds are adopted on a basis consistent with GAAP. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, where payments for capital assets and principal amounts of debt are treated as expenditures, bond proceeds are treated as revenues, and depreciation is not budgeted;
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Board of Trustees. All appropriations lapse at year-end.

The following table summarizes the individual fund budgeted expenditures, as originally adopted, and as revised:

	Original Budget	Total Revisions	Final Budget
Governmental funds:			
General fund	\$ 7,613,605	\$ -	\$ 7,613,605
Special revenue funds:			
Street fund	1,908,969	-	1,908,969
Park fund	1,951,301	-	1,951,301
Conservation trust fund	-	-	-
Business type funds:			
Water fund	23,281,731	-	23,281,731
Sewer fund	3,240,766	-	3,240,766
Storm drainage fund	745,906	-	745,906
Fiduciary fund type:			
Library trust fund	-	-	-
Total funds	\$ 38,742,278	\$ -	\$ 38,742,278

Cash and Cash Equivalents

To improve cash management, cash received by the Town is pooled and invested. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. The Town considers all highly liquid investments with original maturities of three months or less, including deposits in a pooled investment fund, to be cash equivalents. Short-term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value, which approximates fair value. Overdrawn balances in pooled cash accounts are treated by the Town as interfund liabilities, payable to the fund deemed to have made the loan.

Restricted Cash

The amounts restricted in the Water and Sewer funds are in compliance with the operation and maintenance reserve and rate stabilization requirements of the loans from the Colorado Water Resource and Power Development Authority.

Town of Wellington

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Investments

Investments, consisting of funds invested in certificates of deposit, are measured at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the Town by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the Town.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable. Utility service revenue is recognized when the service is provided.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the balance sheet.

Inventories

Inventories, consisting primarily of chemicals used in the treatment process of the Water and Sewer funds, have been valued at cost on a first-in first-out basis. The consumption method is used to account for inventories. Inventory costs are recorded as expenditures or expenses when individual inventory items are consumed.

Bond Premium and Debt Issuance Costs

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Debt issuance costs are recognized during the period of issuance.

In the fund financial statements, governmental fund types recognize bond premiums during the period of issuance. The face amount of debt issued is reported as other financing sources. Premiums on the debt issuance are reported as other finance sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service.

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Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, water lines, storm-water drainage, traffic signals, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Assets are depreciated using the straight-line method over the assets estimated useful lives. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

Description	Governmental	Business-Type
Land and water rights	N/A	N/A
Buildings and improvements	10-40 years	N/A
Improvements other than buildings	5-50 years	N/A
Streets and improvements	20-40 years	N/A
Machinery and equipment	5-20 years	5 years
Utilities systems	N/A	50 years

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, ("GASB No. 16"). Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay. There is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of \$145,104 at December 31, 2020.

On the governmental fund financial statements, where applicable, the current portion of unpaid compensated absences is the amount expected to be paid using current available resources. At December 31, 2020, there is no accrual in the fund financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they

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will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Capital lease obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees (the "Board"). The Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - represents the net position of the Town, which is not restricted for any project or other purpose. A deficit will require future funding.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Town considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

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As of December 31, 2020, fund balances are composed of the following:

	General Fund	Street Fund	Park Fund	Conservation Trust Fund	Total Governmental
Nonspendable:					
Prepaid items	\$ 7,160	\$ -	\$ -	\$ -	\$ 7,160
Restricted:					
Emergencies	306,349	-	-	-	306,349
Parks and open space	-	-	-	585,808	585,808
Committed:					
Cemetery operations	57,118	-	-	-	57,118
Assigned:					
Capital projects	-	1,366,617	2,082,160	-	3,448,777
Subsequent year's expenditures	3,854,817	1,634,236	782,234		6,271,287
Unassigned	2,853,513	-	-	-	2,853,513
Total fund balances	\$ 7,078,957	\$ 3,000,853	\$ 2,864,394	\$ 585,808	\$ 13,530,012

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit.

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PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2020, the Town had deposits with financial institutions with a carrying amount (book balance) of \$6,573,373. The bank balances with the financial institutions were \$6,757,397 which of this amount, \$500,000 was covered by federal depository insurance, with the excess in 2020 covered by PDPA.

Cash and cash equivalents, including restricted cash, held by the Town at December 31, 2020 were as follows:

Cash on hand	\$ 300
Cash with county treasurer and clerk	86,885
Cash deposits	6,573,373
Local government investment pool	40,483,532
Total	\$47,144,090

Cash and cash equivalents, by statement, are as follows:

Statement of net position:

Cash and cash equivalents	\$ 38,796,086
Equity in pooled cash and cash equivalents	6,949,767
Restricted cash and cash equivalents	905,734

Statement of fiduciary net position:

Cash and cash equivalents	425,294
Equity in pooled cash and cash equivalents, restricted	67,211

Total	\$ 47,144,092
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Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the Town may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The Town's policy is to hold investments until maturity.

Town of Wellington

Notes to Financial Statements

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Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2020, the Town had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust (the "Trust"), discussed below.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

Local Government Investment Pools

At December 31, 2020, the Town had invested \$40,483,532 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

3. Receivables

Receivables at December 31, 2020, consisted of the following:

Type	Governmental Activities	Business-Type Activities	Total
Taxes	\$ 1,776,236	\$ 86,608	\$ 1,862,844
Trade accounts	-	548,950	548,950
Intergovernmental	48,039	-	48,039
Other	240,178	6,091	246,269
Total	\$ 2,064,453	\$ 641,649	\$ 2,706,102

4. Interfund Receivables/Payables and Transfers/

The Town's interfund receivables and payables represent short-term receivables and payables. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At December 31, 2020, the Storm Drainage Fund owed the General Fund \$420,000.

Town of Wellington

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December 31, 2020

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, or to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following transfers were made during the year ended December 31, 2020:

Transfers Out						
Transfers In:	Street Fund	Park Fund	Water Fund	Sewer Fund	Drainage Fund	Total
General Fund	\$ 480,761	\$ 298,492	\$ 714,101	\$ 487,931	\$ 99,164	\$ 2,080,449
Total	\$ 480,761	\$ 298,492	\$ 714,101	\$ 487,931	\$ 99,164	\$ 2,080,449

5. Capital Assets

A summary of changes in governmental activities capital assets for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land and water rights	\$ 1,520,046	\$ -	\$ -	\$ 1,520,046
Construction in progress	114,895	-	-	114,895
Total capital assets, not being depreciated	1,634,941	-	-	1,634,941
Capital assets, being depreciated:				
Buildings and improvements	1,276,037	515,257	-	1,791,294
Improvements other than buildings	12,683,968	105,542	-	12,789,510
Streets and improvements	22,927,235	600,521	-	23,527,756
Machinery and equipment	1,419,859	61,526	-	1,481,385
Total capital assets, being depreciated	38,307,099	1,282,846	-	39,589,945
Less accumulated depreciation for:				
Buildings and improvements	(770,621)	(28,266)	-	(798,887)
Improvements other than buildings	(3,659,697)	(212,681)	-	(3,872,378)
Streets and improvements	(11,898,020)	(971,441)	-	(12,869,461)
Machinery and equipment	(1,157,503)	(30,393)	-	(1,187,896)
Total accumulated depreciated	(17,485,841)	(1,242,781)	-	(18,728,622)
Total capital assets, being depreciated, net	20,821,258	40,065	-	20,861,323
Governmental activities capital assets, net	\$ 22,456,199	\$ 40,065	\$ -	\$ 22,496,264

Town of Wellington
Notes to Financial Statements

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Depreciation expense for governmental activities has been allocated to various activities as follows:

Governmental activities:	
General government	\$ 46,608
Public works	968,285
Parks and recreation	227,888
Total depreciation expense - governmental activities	\$ 1,242,781

A summary of changes in business-type activities capital assets for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Land and water rights	\$ 2,914,870	\$ 2,011,800	\$ -	\$ 4,926,670
Construction in progress	2,064,621	1,027,179	(856,089)	2,235,711
Total capital assets, not being depreciated	4,979,491	3,038,979	(856,089)	7,162,381
Capital assets, being depreciated:				
Utilities systems	46,844,095	893,944	-	47,738,039
Machinery and equipment	1,398,511	457,957	-	1,856,468
Total capital assets, being depreciated	48,242,606	1,351,901	-	49,594,507
Less accumulated depreciation	(15,761,244)	(1,406,427)	-	(17,167,671)
Total capital assets, being depreciated, net	32,481,362	(54,526)	-	32,426,836
Business-type activities capital assets, net	\$ 37,460,853	\$ 2,984,453	\$ (856,089)	\$ 39,589,217

Depreciation expense for business-type activities has been allocated to various activities as follows:

Business-type activities:	
Water	\$ 747,186
Sewer	542,919
Storm drainage	116,322
Total depreciation expense - business-type activities	\$ 1,406,427

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6. Long-Term Debt

Governmental Activities

In 2014, the Town borrowed \$2,400,000 from First National Bank, with monthly principal and interest payments beginning in 2016 and maturing in 2029. The loan requires monthly payments of \$22,455 principal and interest, fixed at 2.31%. The Park Fund is required to maintain a coverage amount of 125% of principal and interest. For the year ended December 31, 2020, the Town met the coverage amount.

Business-Type Activities

In 2019, the Town entered into a loan payable with the Colorado Water Resource and Power Development Authority ("CWRPDA"). The 20 year loan requires varying semi-annual principal and interest payments at interest ranging from 3.0 to 5.0% through August 1, 2039. The loan is a special revenue obligation of the Sewer Fund payable from sewer rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system. As of December 31, 2020, the Town had not drawn down funds from this loan. The remaining amount available of \$24.8 million to be received is reflected as loan proceeds receivable in the accompanying statement of net position.

In September 2014 the Town entered into a 20 year general obligation sewer bond in the amount of \$2,400,000, due in 2024. The special revenue bond has variable interest rate, not to exceed 4%, and escalating principal payments.

In 2002, the Town entered into a loan payable with the Colorado Water Resource and Power Development Authority ("CWRPDA"). The 20 year note requires varying semi-annual principal and interest payments at 3.71%, payments through August 1, 2022. The loan is a special revenue obligation of the Sewer Fund payable from sewer rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system.

In 2001, the Town entered into a loan payable with CWRPDA requiring semi-annual payments of \$36,747 principal and interest, at 4.0% through May 1, 2022. The loan is a special revenue obligation of the Water Fund payable from water rates, fees, standby charges, and charges from the use and operation of the system and from such other funds legally available after the payment of operation and maintenance expenses of the system.

During 1984, the Town entered into a general obligation water bond in the amount of \$500,000. Bond is due in escalating installments and matures on December 1, 2023. Interest is fixed at 5%.

During 1982, the Town entered into a loan agreement with Colorado Water Conservation Board ("CWCBC") requiring annual payments of \$57,593 principal and interest at 4.0% through December 1, 2023. Revenues of the Town are pledged in an amount sufficient to pay the annual amounts due under the loan contract.

Town of Wellington
Notes to Financial Statements

December 31, 2020

Following is a summary of the debt transactions for the year ended December 31, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
2014 First National Bank loan	\$ 1,506,850	\$ -	\$ (236,599)	\$ 1,270,251	\$ 242,304
Accrued compensated absences	121,518	35,379	(12,983)	143,914	-
Total	\$ 1,628,368	\$ 35,379	\$ (249,582)	\$ 1,414,165	\$ 242,304
Business-Type Activities					
1984 General Obligation water bond	\$ 104,000	\$ -	\$ (24,000)	\$ 80,000	\$ 25,000
1982 Colorado Water Conservation Board loan	210,879	-	(51,051)	159,828	51,201
2001 Colorado Water Resource and Power Development Authority loan	173,207	-	(67,232)	105,975	69,948
2002 Colorado Water Resource and Power Development Authority loan	947,923	-	(291,732)	656,191	314,619
2014 General Obligation sewer bond	1,985,000	-	(105,000)	1,880,000	110,000
2019 Colorado Water Resource and Power Development Authority loan	24,014,599	-	(1,006,798)	23,007,801	1,025,372
Total	\$ 27,435,608	\$ -	\$ (1,545,813)	\$ 25,889,795	\$ 1,596,140
Current portion of long-term debt				(1,596,140)	
Discount on long-term debt				(838)	
Premium on long-term debt				740,259	
Non-current portion of long-term liabilities				<u>\$ 25,033,076</u>	

The following table represents future debt service requirements as of December 31, 2020:

Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 242,304	\$ 27,156	\$ 1,596,140	\$ 534,069	\$ 2,399,669
2022	248,040	21,420	1,615,887	494,854	2,380,201
2023	253,912	15,548	1,268,681	456,911	1,995,052
2024	259,892	9,568	1,211,978	429,634	1,911,072
2025	266,103	3,384	1,229,550	405,784	1,904,821
2026-2030	-	-	6,500,232	1,693,147	8,193,379
2031-2035	-	-	6,904,648	1,102,606	8,007,254
2036-2039	-	-	5,562,679	293,461	5,856,140
	\$ 1,270,251	\$ 77,076	\$ 25,889,795	\$ 5,410,466	\$ 32,647,588

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Notes to Financial Statements

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7. Rate Maintenance

Water Fund

Pursuant to the 2001 CWRPDA loan agreement, the Town shall establish, levy, and collect rents, rates, and other charges for the products and services provided by the Town's water system (the "Water System") in an amount sufficient to: (1) meet the operation and maintenance expenses of the Water System, (2) comply with all covenants in the loan resolution, and (3) pay at least 110% of the debt service on all indebtedness or at least 110% of all such debt if connection fees are included as a source of payment.

The following calculation shows the Town has complied with the rate maintenance provision of this loan agreement.

Operating revenues	\$2,413,007	
Connection fees	<u>5,356,216</u>	
Subtotal	7,769,223	
Operation and maintenance expenses (not including depreciation)	<u>2,599,260</u>	
Net revenue as defined in loan agreement		\$ 5,169,963
2020 principal due	\$ 67,232	
2020 interest due	<u>6,263</u>	
	73,495	
	x110%	80,845
Amount the current year revenues were in excess of the requirements of the CWRPDA loan agreement.		<u>\$ 5,089,118</u>

Per the loan agreement, the Town is required to either raise rates within 60 days after the end of the year to comply with the rate covenant or to hire an independent firm of accountants or consulting engineers to do a rate study within 120 days of year-end to recommend a rate increase to meet the loan covenant.

Sewer Fund

Pursuant to the 2002 CWRPDA loan agreement, the Town shall establish, levy, and collect rents, rates, and other charges for the products and services provided by the Town's sewer system (the "Sewer System") in an amount sufficient to: (1) meet the operation and maintenance expenses of the Sewer System, (2) comply with all covenants in the loan resolution, and (3) pay at least 110% of the debt service on all indebtedness or at least 110% of all such debt if connection fees are included as a source of payment.

Town of Wellington

Notes to Financial Statements

December 31, 2020

The following calculation shows the Town has complied with the rate maintenance provision of this loan agreement.

Operating revenues	\$1,431,521	
Connection fees	<u>2,042,490</u>	
Subtotal	3,474,011	
Operation and maintenance expenses (not including depreciation)	<u>781,511</u>	
Net revenue as defined in loan agreement		\$ 2,692,500
2020 principal due	\$ 297,919	
2020 interest due	<u>27,342</u>	
	325,261	
	x110%	357,787
Amount the current year revenues were in excess of the requirements of the CWRPDA loan agreement.		<u>\$ 2,334,713</u>

Per the loan agreement, the Town is required to either raise rates within 60 days after the end of the year to comply with the rate covenant or to hire an independent firm of accountants or consulting engineers to do a rate study within 120 days of year-end to recommend a rate increase to meet the loan covenant.

The Town Board approved resolution 1-2012 SE establishing a rate stabilization account in the Sewer Fund in conformity with the rate covenant provisions of the 2002 CWRPDA loan agreement. This resolution restricted \$350,000 specifically for debt service on the aforementioned CWRPDA loan, retroactive to December 31, 2011. This restriction, plus the calculation shown above, demonstrates the Town is in compliance with the requirements of the CWRPDA loan at December 31, 2020.

The CWRPDA loans in the Water and Sewer Funds require the Town to maintain an operations and maintenance reserve in an amount equal to three months of operations and maintenance expenses, excluding depreciation of the system, as set forth in the annual budget for the current fiscal year. The Town has restricted \$555,734 in the Water Fund and \$350,000 in the Sewer Fund to comply with the terms of these agreements.

Pursuant to the 2014 special revenue bond obligation agreement, the Town shall establish, maintain, enforce, and collect rates, fees, and charges for the services provided by the Town's wastewater system to create gross revenue each calendar year sufficient to pay operation and maintenance expenses and to create net revenue in an amount: (1) equal to not less than 120% of the amount necessary to pay when due the principal of and interest on the bonds and any parity lien bonds coming due during such calendar year; and (2) sufficient to make up any deficiencies in the reserve account. In the event that the gross revenue at any time is not sufficient to make such payments, the Town shall promptly increase such rates, fees, and charges to an extent which will ensure the payments and accumulations required by the ordinance.

Town of Wellington

Notes to Financial Statements

December 31, 2020

The following calculation shows the Town has complied with the rate maintenance provision of this bond agreement.

Operating revenues	\$1,431,521	
Connection fees	<u>2,042,490</u>	
Subtotal	3,474,011	
Operation and maintenance expenses (not including depreciation)	<u>781,511</u>	
Net revenue as defined in loan agreement		\$ 2,692,500
2019 principal due	\$ 105,000	
2019 interest due	<u>67,568</u>	
	172,568	
	x120%	207,082
Amount the current year revenues were in excess of the requirements of the general bond obligation.		<u>\$ 2,485,418</u>

8. Commitments and Contingencies

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

Excess of Expenditures/Expenses Over Appropriations

For the year ended December 31, 2020, expenses exceeded appropriations in the Storm Drainage Fund by \$174,740, which may be a violation of state statute.

9. Taxes, Spending and Debt Limitations

Tabor Amendment

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

Town of Wellington

Notes to Financial Statements

December 31, 2020

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$289,767 for this purpose.

On November 5, 1996, the voting citizens of the Town of Wellington authorized the Town (retroactive to January 1, 1995) to, without imposing any new taxes or increases in tax rates, retain all revenue from all sources in 1995 and subsequent years, and to spend the same as a voter-approved revenue change and as exception to limits which would otherwise apply for each of said years under Colorado Constitution Article X, Section 20, the taxpayer's bill of rights. This effectively removed all revenue and spending limits imposed by TABOR.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

10. COVID-19 and CARES Act

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 Outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Town's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

Access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of national, regional, or statewide economic slowdown. This situation has not depressed State or Federal funding during fiscal year 2020, but these funding sources may depress in the future.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security ("CARES") Act." The CARES Act, among other things, includes provisions appropriating funds from programs of the United States Department of the Treasury and Department of Education to be used to make payments for specified uses to states and certain local governments.

The Town continues to examine the impact that the CARES Act may have on its operations. As of December 31, 2020, the Town had received \$552,720 in federal funding awards under the CARES Act.

11. Subsequent Events

Management of the Town has evaluated subsequent events through November 5, 2021, the date that the financial statements were available to be issued. No items were identified that would require adjust to or disclosure in the financial statements.

Required Supplementary Information

Town of Wellington
Schedule of Revenues, Expenditures and Changes in Fund
Balance (Budget and Actual) - General Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,420,791	\$ 3,420,791	\$ 4,019,972	\$ 599,181
Franchise fees	188,988	188,988	184,840	(4,148)
Licenses and permits	501,560	501,560	775,820	274,260
Intergovernmental	3,990	3,990	574,804	570,814
Charges for services	101,927	101,927	162,693	60,766
Fines and forfeitures	11,719	11,719	8,385	(3,334)
Earnings on investments	179,161	179,161	52,943	(126,218)
Miscellaneous	14,695	14,695	22,003	7,308
Total revenues	4,422,831	4,422,831	5,801,460	1,378,629
Expenditures				
Current:				
General government:				
Legislative	94,145	94,145	141,554	(47,409)
Judicial	41,479	41,479	15,010	26,469
Administrator	343,720	343,720	932,488	(588,768)
Finance	733,127	733,127	569,975	163,152
Customer service	166,277	166,277	202,857	(36,580)
Human resources	209,018	209,018	146,335	62,683
Information technology	172,200	172,200	227,709	(55,509)
Planning and zoning	799,614	799,614	787,291	12,323
Public safety:				
Police	1,351,314	1,351,314	1,365,539	(14,225)
Protective inspections	91,503	91,503	70,157	21,346
Public works:				
Operating	1,422,691	1,422,691	1,167,080	255,611
Cemetery	22,500	22,500	404	22,096
General use buildings	68,857	68,857	-	68,857
Parks and recreation:				
Community activities	90,910	90,910	61,096	29,814
Economic development	261,910	261,910	163,624	98,286
Library	203,340	203,340	187,449	15,891
Capital outlay	1,541,000	1,541,000	616,734	924,266
Total expenditures	7,613,605	7,613,605	6,655,302	958,303
Deficiency of revenues over expenditures	(3,190,774)	(3,190,774)	(853,842)	2,336,932
Other financing sources				
Transfers in	2,421,173	2,421,173	2,080,449	(340,724)
Total other financing sources	2,421,173	2,421,173	2,080,449	(340,724)
Net change in fund balance	\$ (769,601)	\$ (769,601)	1,226,607	\$ 1,996,208
Fund balance at beginning of year			5,852,350	
Fund balance at end of year			\$ 7,078,957	

See accompanying Independent Auditor's Report.

Town of Wellington
Schedule of Revenues, Expenditures and Changes in Fund
Balances (Budget and Actual) - Street and Park Funds

Year Ended December 31, 2020

	Street Fund			Variance with Final Budget		Park Fund			Variance with Final Budget					
	Budgeted Amounts		Actual Amounts	Positive (Negative)	Budgeted Amounts		Actual Amounts	Positive (Negative)						
	Original	Final			Original	Final								
Revenues														
Taxes	\$	1,536,665	\$	1,536,665	\$	1,525,169	\$	974,697	\$	1,317,190	\$	342,493		
Impact fees		440,640		440,640		1,075,084		362,340		311,750		(50,590)		
Licenses and permits		1,800		1,800		107,800		-		-		-		
Charges for services		-		-		-		109,599		109,599		36,508		
Earnings on investments		21,906		21,906		12,738		35,000		35,000		15,850		
Miscellaneous		2,000		2,000		762		-		-		2,881		
Total revenues		2,003,011		2,003,011		2,721,553		1,481,636		1,481,636		1,684,179	202,543	
Expenditures														
Current:														
Public works/Parks and recreation:														
Operating		319,842		319,842		314,530		577,255		577,255		439,561	137,694	
Recreation		-		-		-		430,324		430,324		298,235	132,089	
Small equipment and other		18,000		18,000		-		7,100		7,100		-	7,100	
Capital outlay		1,064,189		1,064,189		600,522		333,000		333,000		65,590	267,410	
Debt Service		-		-		-		269,460		269,460		269,460	-	
Total expenditures		1,402,031		1,402,031		915,052		1,617,139		1,617,139		1,072,846	544,293	
Excess (deficiency) of revenues over expenditures		600,980		600,980		1,806,501		(135,503)		(135,503)		611,333	746,836	
Other financing sources (uses)														
Transfers in		-		-		-		200,000		200,000		-	(200,000)	
Transfers out		(506,938)		(506,938)		(480,761)		(334,162)		(334,162)		(298,492)	35,670	
Total other financing sources (uses)		(506,938)		(506,938)		(480,761)		(134,162)		(134,162)		(298,492)	(164,330)	
Net change in fund balances	\$	94,042	\$	94,042	\$	1,325,740	\$	(269,665)	\$	(269,665)	\$	312,841	\$	582,506
Fund balances at beginning of year						1,675,113						2,551,553		
Fund balances at end of year						\$ 3,000,853						\$ 2,864,394		

See accompanying Independent Auditor's Report.

Other Supplementary Information

Town of Wellington
Schedule of Revenues, Expenditures and
Changes in Fund Balance (Budget and Actual)
Conservation Trust Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 101,000	\$ 101,000	\$ 102,178	\$ 1,178
Earnings on investments	500	500	4,440	3,940
Total revenues	101,500	101,500	106,618	5,118
Net change in fund balance	\$ 101,500	\$ 101,500	106,618	\$ 5,118
Fund balance at beginning of year			479,190	
Fund balance at end of year			\$ 585,808	

See accompanying Independent Auditor's Report.

Town of Wellington
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Water Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 2,097,382	\$ 2,097,382	\$ 2,410,129	\$ 312,747
Total operating revenues	2,097,382	2,097,382	2,410,129	312,747
Operating expenses				
Operating	2,010,045	2,010,045	2,570,697	(560,652)
Small equipment	216,125	216,125	28,563	187,562
Total operating expenses	2,226,170	2,226,170	2,599,260	(373,090)
Operating loss	(128,788)	(128,788)	(189,131)	(60,343)
Non-operating revenues (expenses)				
Property taxes	85,593	85,593	85,593	-
Capital contributions	4,466,601	4,466,601	5,356,216	889,615
Earnings on investments	371,046	371,046	103,664	(267,382)
Other non-operating revenue	-	-	449	449
Interest expense	(480,306)	(480,306)	(425,957)	54,349
Principal paid	(1,143,573)	(1,143,573)	(1,149,081)	(5,508)
Capital outlay	(18,523,008)	(18,523,008)	(3,822,255)	14,700,753
Loan proceeds	13,730,780	13,730,780	-	(13,730,780)
Transfers out	(908,674)	(908,674)	(714,101)	194,573
Total non-operating revenues (expenses)	(2,401,541)	(2,401,541)	(565,472)	1,641,496
Change in net position - budgetary basis	\$ (2,530,329)	\$ (2,530,329)	(754,603)	\$ 1,581,153
Reconciliation to GAAP Basis				
Depreciation			(747,186)	
Principal paid			1,149,081	
Capital outlay			3,822,255	
Change in net position - GAAP basis			3,469,547	
Net position at beginning of year			36,585,863	
Net position at end of year			\$ 40,055,410	

See accompanying Independent Auditor's Report.

Town of Wellington
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Sewer Fund

Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 1,327,389	\$ 1,327,389	\$ 1,431,521	\$ 104,132
Total operating revenues	1,327,389	1,327,389	1,431,521	104,132
Operating expenses				
Operating	711,172	711,172	772,640	(61,468)
Small equipment	72,600	72,600	8,871	63,729
Total operating expenses	783,772	783,772	781,511	2,261
Operating income	543,617	543,617	650,010	106,393
Non-operating revenues (expenses)				
Capital contributions	1,944,000	1,944,000	2,042,490	98,490
Earnings on investments	163,386	163,386	90,872	(72,514)
Other nonoperating revenue	-	-	1,711	1,711
Interest expense	(133,520)	(133,520)	(88,315)	45,205
Principal paid	(402,919)	(402,919)	(396,732)	6,187
Capital outlay	(1,367,236)	(1,367,236)	(435,776)	931,460
Transfers out	(553,319)	(553,319)	(487,931)	65,388
Total non-operating revenues (expenses)	(349,608)	(349,608)	726,319	1,075,927
Change in net position - budgetary basis	\$ 194,009	\$ 194,009	1,376,329	\$ 1,182,320
Reconciliation to GAAP basis				
Depreciation			(542,919)	
Principal paid			396,732	
Capital outlay			435,776	
Change in net position - GAAP basis			1,665,918	
Net position at beginning of year			22,141,024	
Net position at end of year			\$ 23,806,942	

See accompanying Independent Auditor's Report.

Town of Wellington
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual (Non-GAAP Basis)
Storm Drainage Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 589,002	\$ 589,002	\$ 620,178	\$ 31,176
Total operating revenues	589,002	589,002	620,178	31,176
Operating expenses				
Operating	414,446	414,446	783,405	(368,959)
Total operating expenses	414,446	414,446	783,405	(368,959)
Operating income (loss)	174,556	174,556	(163,227)	(337,783)
Non-operating revenues (expenses)				
Taxes	18,296	18,296	19,288	992
Earnings on investments	20,558	20,558	6,965	(13,593)
Impact fees	217,728	217,728	653,352	435,624
Capital outlay	(213,380)	(213,380)	(38,077)	175,303
Transfers out	(118,080)	(118,080)	(99,164)	18,916
Total non-operating revenues (expenses)	(74,878)	(74,878)	542,364	617,242
Change in net position - budgetary basis	\$ 99,678	\$ 99,678	379,137	\$ 279,459
Reconciliation to GAAP basis				
Depreciation			(116,322)	
Capital outlay			38,077	
Change in net position - GAAP basis			300,892	
Net position at beginning of year			3,425,117	
Net position at end of year			\$ 3,726,009	

See accompanying Independent Auditor's Report.

Town of Wellington
Schedule of Changes in Fiduciary Net Position (Budget and Actual)
Library Trust Fund
Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Additions				
Library impact fees	\$ 44,000	\$ 44,000	\$ 67,750	\$ 23,750
Total additions	44,000	44,000	67,750	23,750
Change in net position	\$ 44,000	\$ 44,000	67,750	\$ 23,750
Net position at beginning of year			424,755	
Net position at end of year			\$ 492,505	

See accompanying Independent Auditor's Report.

State Compliance Section

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Wellington
This Information From The Records Of: Town of Wellington	Prepared By: Tyler Sexton Phone: 970-568-3381
YEAR ENDING : December 31, 2020	

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	2,417,241
4. Miscellaneous local receipts (from page 2)	21,101
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,438,341
B. Private Contributions	
C. Receipts from State government (from page 2)	283,213
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	2,721,554

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	600,522
2. Maintenance:	314,531
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	480,761
5. Highway law enforcement and safety	
6. Total (1 through 5)	1,395,814
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,395,814

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,675,113	2,721,554	1,395,814	3,000,853	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:

Colorado

YEAR ENDING (mm/yy):

December 31, 2020

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	12,738
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,102,387	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,175,284	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	139,570	g. Other Misc. Receipts	8,362
6. Total (1. through 5.)	2,417,241	h. Other	
c. Total (a. + b.)	2,417,241	i. Total (a. through h.)	21,101
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	250,749	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	32,463	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) CDOT Grant		f. Other Federal	
f. Total (a. through e.)	32,463	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	283,213	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements			
(3). System Preservation		504,912	504,912
(4). System Enhancement & Operation		95,610	95,610
(5). Total Construction (1) + (2) + (3) + (4)	0	600,522	600,522
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	600,522	600,522
			(Carry forward to page 1)

Notes and Comments:

County Road & Bridge Tax:	41,323	Street Cut Permits:	7,600
Specific Ownership Tax:	98,247	Misc. Revenue:	762
	139,570		8,362
Developer Road Fees Escrow:	100,200		
BP Road Impact Fees:	1,075,084		
	1,175,284		